

MEMORANDUM

November 4, 2003

MEMO TO: Guy Guzzone
County Council

FROM: Ronald S. Weinstein
County Auditor

SUBJECT: Annual Review - Fiscal Year 2003
Howard County Arts Council

In accordance with Council Resolution 62-1984 and the Grant Agreement between Howard County and the Howard County Arts Council, Inc., we have reviewed the financial activity of the Arts Council for the fiscal year ended June 30, 2003. The scope of our review was to determine that the Arts Council had been audited by an independent accounting firm, how the County grant funds were expended, and what organizations have received grants from the Arts Council.

The Howard County Arts Council was audited by the public accounting firm of Klynveld, Peat, Marwick and Goerdeler (KPMG) LLP. The audit indicated that the Arts Council received \$875,643 in unrestricted revenue and support and had expenditures of \$863,880. This left the organization with unrestricted net assets at June 30, 2003 of \$213,953, as compared with unrestricted net assets of \$202,190 at June 30, 2002. There was also a balance of \$271,977 of temporarily restricted net assets at the end of the fiscal year. Primarily, these assets represent leasehold improvements at the Howard County Center for the Arts. Howard County's grant to the Arts Council was \$359,376 in Fiscal Year 2003 and, the Maryland State Arts Council contributed \$95,669. Howard County's grant provided \$158,845 for grants to arts organizations within Howard County, \$105,472 for grants to arts programs and cultural activities in Baltimore City, a designated gift of \$10,000 to Baltimore Symphony Orchestra, and \$85,059 for operating expenses of the Howard County Arts Council. The Arts Council used \$12,955 of the funding for grants to arts organizations for program funding of production and marketing activities in Howard County. This is consistent with prior years. The KPMG LLP audit report noted no problems with the Arts Council's financial statements.

During the year ended June 30, 2003, the Arts Council awarded \$309,462 in grant funds to 46 different organizations. We have prepared a schedule (Attachment 1) showing the amount each of these organizations received during FY 2003 and the amount they received the previous year.

The Grant Agreement between Howard County and the Howard County Arts Council, Inc. states that the Howard County Arts Council, Inc. must file with the County Council and make public, a written report, on or before October 1, 2003. The report was filed and made public in a timely manner.

We would like to thank the staff of the Howard County Arts Council for the assistance they provided during the course of this review. Please contact us if there are any questions.

DL:dl-ART03

Attachments

cc: Council Members
James N. Robey, County Executive
Raquel Sanudo, Chief Administrative Officer
Senator Sandra Schrader, President, Board of Directors
Coleen West, Executive Director
Sharon Greisz, Director, Department of Finance
Lois D. Miller, Administrative Services Officer

